

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

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R 271401Z JAN 76

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 2266

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

USCINCSO

C O N F I D E N T I A L TEGUCIGALPA 0423

E.O. 11652: GDS

TAGS: ELAB, EIND, HO

SUBJECT: SETTLEMENT OF TOBACCO WORKERS' STRIKE

REF: TEGUCIGALPA 0285 (DTG 192130Z JAN. 76)

TEGUCIGALPA 0244 (DTG 152247Z JAN. 76)

TEGUCIGALPA 0132 (DTG 092155Z JAN. 76)

BEGIN SUMMARY: COMPROMISE SETTLEMENT OF STRIKE AT FIVE
TOBACCO COMPANIES AT DANLI, EL PARAISO BY INDUSTRIAL
TOBACCO WORKERS' UNION (SITRAITAD) IS IN DANGER OF TOTAL
BREAKDOWN DUE TO FAILURE OF COMPANIES TO FULFILL AGREEMENT
SIGNED WITH UNIONS, LABMIN AND HONDURAN PRIVATE BUSINESSMEN'S
COUNCIL (COHEP). AGREEMENT PROVIDED FOR WAGE INCREASES,
NO RETALIATION AGAINST UNION MEMBERS, RESIGNATION OF
SITRAITAD EXECUTIVE BOARD, AND NEGOTIATION ON CONTRACT
WITH PARAISO TOBACCO NOT LATER THAN JANUARY 29, 1976.
END SUMMARY.

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1. LABMIN FLORES AND CTH SECRETARY-GENERAL ARTILES, IN

CONVERSATIONS JANUARY 22, 1976 WITH LABOFF, INDICATED THAT AGREEMENT ARRIVED AT ON JANUARY 18, IS IN PROCESS OF BREAKING DOWN DUE TO REFUSAL OF VARIOUS OF THE TOBACCO COMPANIES TO HONOR IT. AGREEMENT PROVIDED FOR IMMEDIATE SALARY INCREASE BY ALL COMPANIES TO LEMPIRA 3/DAY AS OPPOSED TO PREVIOUS WAGE OF LEMPIRA 2.50/DAY. ADDITIONALLY, JULIO EIROA OF PARAISO TOBACCO AGREED TO COMPLETE NEGOTIATION OF CONTRACT WITH SITRAITAD BY JANUARY 29, 1976. OTHER COMPANIES INVOLVED IN CONFLICT ALSO AGREED TO RECOGNIZE UNION AND NEGOTIATE CONTRACTS, THOUGH NOT WITHIN FIXED TIME LIMIT. COMPANIES AGREED THERE WOULD BE NO RETALIATION AGAINST UNION MEMBERS. SITRAITAD AS GESTURE TOWARD COMPANIES AGREED THAT EXECUTIVE BOARD WOULD RESIGN AND CURRENT MEMBERS WOULD NOT STAND FOR REELECTION IN ELECTIONS TO BE HELD LATE THIS MONTH, PRIOR TO CONTRACT NEGOTIATIONS WITH PARAISO TOBACCO.

2. HONDURAS-AMERICAN TOBACCO, WHICH WAS REPRESENTED AT NEGOTIATIONS BY ITS LAWYER, DID NOT SIGN AGREEMENT ON JANUARY 18. THE LAWYER SAID HE WAS NOT EMPOWERED TO DO SO. HOWEVER, HE PROMISED TO RETURN WITH OWNER EARLY IN WEEK AND TO SIGN ADDENDUM TO AGREEMENT. THE LAWYER AND OWNER VISITED LABMIN THIS WEEK AND REFUSED TO HAVE ANYTHING TO DO WITH AGREEMENT AND INSTEAD ASKED FOR INSCRIPTION OF COMPANY UNION WHICH THEY HAD FORMED. LABMIN IN REVERSAL OF PREVIOUS POSITION, STATES THAT THIS IS LEGAL, BUT HAS TEMPORARILY DENIED PETITION ON TECHNICAL GROUNDS. UNION HAD CEASED STRIKE AGAINST HONDURAS-AMERICAN BASED ON LAWYER'S PROMISE TO SIGN AN ADDENDUM TO THE AGREEMENT.

3. MEANWHILE, JULIO EIROA, CITING PRESSURE FROM COMPANY UNION WHICH HE HAD PREVIOUSLY FORMED, HAS REPORTEDLY FIRED THREE UNION LEADERS WORKING FOR PARAISO. HE IS ALSO PUSHING ONCE AGAIN TO HAVE HIS COMPANY UNION RECOGNIZED AND IS DELAYING THE COMPLETION OF CONTRACT NEGOTIATION.

4. WHILE SITRAITAD BOARD GOING THROUGH WITH AGREEMENT TO RESIGN, THEY NOW PLAN TO STAND FOR ELECTION IF NOMINATED. ARTILES INDICATES THAT THEY WILL PROBABLY BE REELECTED, WHICH COULD LEAD TO REFUSAL BY EIROA TO NEGOTIATE CONTRACT

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WITH THEM. ARTILES INDICATES THAT SITRAITAD MEMBERSHIP FEELS IT HAS BEEN SOLD OUT BY NATIONAL LABOR LEADERS, I.E., HE AND CELEO GONZALEZ OF NORTH COAST LABOR FEDERATION (FESITRANH). ARTILES AND LABMIN INDICATED THAT ONLY COMPANY FULLY COMPLYING WITH AGREEMENT IS PANAMERICAN TOBACCO (60 PERCENT U.S. OWNED). FEELING WITHIN SITRAITAD IS TO GO BACK ON STRIKE IF JANUARY 18 AGREEMENT IS NOT COMPLIED WITH BY JANUARY 29, DATE FOR COMPLETION OF CONTRACT NEGOTIATIONS

WITH PARAISO TOBACCO. GONZALEZ HAS RETURNED TO SAN PEDRO SULA TO SEEK SUPPORT FOR SITRAITAD IN ENFORCING AGREEMENT AND STRIKE ACTION IF NECESSARY. ARTILES INDICATED THAT OTHER UNIONS WOULD LIKELY SUPPORT SITRAITAD WITH STRIKE ACTION OF THEIR OWN, IF NECESSARY.

5. LABMIN INDICATED THAT HE FELT COMPANIES, AND PARTICULARLY JULIO EIROA, WOULD ULTIMATELY BE FORCED TO HONOR AGREEMENT WITHOUT SITRAITAD TAKING FURTHER STRIKE ACTION. HE CITED FACT THAT COHEP HAD PARTICIPATED IN THE NEGOTIATIONS AND SIGNED AGREEMENT, THUS DEPRIVING COMPANIES OF BUSINESSMEN'S SUPPORT IN THE EVENT OF ANOTHER STRIKE BY SITRAITAD. HE ALSO STATED THAT CHIEF OF STATE AND VARIOUS MEMBERS OF THE SUPERIOR DEFENSE COUNCIL WERE AWARE OF THE AGREEMENT AND INTENDED TO SEE THAT IT IS ENFORCED. HE DID NOT ELABORATE AS TO HOW, THOUGH ARTILES PREVIOUSLY SUGGESTED GOH TAKEOVER OF INDUSTRY WOULD CLEARLY BE A POSSIBILITY.

6. COMMENT: WE WOULD TEND TO AGREE WITH LABMIN THAT SITUATION WILL PROBABLY BE RESOLVED SHORT OF ADDITIONAL STRIKE ACTION BY SITRAITAD, PROBABLY ALONG LINES OF JANUARY 18 AGREEMENT WITH SOME POSSIBLE UNWRITTEN MODIFICATIONS. THIS WOULD BE IN PART DUE TO THE FACT THAT THE LEVERAGE OF SITRAITAD IN TERMS OF TIMING TO MAXIMIZE DAMAGE TO CROP IS RAPIDLY DIMINISHING. ALSO, JULIO EIROA WILL BE UNDER SIGNIFICANT PRESSURE FROM BOTH THE GOH AND COHEP TO LIVE UP TO AGREEMENT. HOWEVER, SHOULD THE AGREEMENT FALL APART COMPLETELY AND SITRAITAD TAKE STRIKE ACTION, THE POSSIBILITY FOR CONFLICT WITH DISSIDENT WORKERS AND VIOLENCE DIRECTED AGAINST COMPANY FACILITIES WILL INCREASE SIGNIFICANTLY.
SANCHEZ

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